

SERVICE DATE
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Public Service Commission of Wisconsin
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PUBLIC SERVICE COMMISSION OF WISCONSIN

Northern States Power Company (WIS) Conservation Activities and
Voluntary Utility Programs for 2022

4220-EE-2022

FINAL DECISION

This is the Final Decision in the June 24, 2021 application by Northern States Power Company-Wisconsin (NSPW) for approval to implement voluntary energy efficiency programs for 2022. At its open meeting of September 16, 2021, the Commission considered NSPW's application.

The application is APPROVED, subject to the conditions described in this Final Decision.

Introduction

NSPW proposed to continue each of its existing voluntary programs approved for 2021, including the Residential Community Conservation Program (Residential CCP), the Commercial Community Conservation Program (Commercial CCP), and the Mid-Market Program (MMP), which is operated as a component of the Commercial CCP, in 2022. Additionally, NSPW proposed to operate a pilot effort under its Residential and Commercial CCPs that would explore opportunities to expand the CCP offerings to better serve a tribal community in its service territory.

The Residential CCP would continue to operate with the same program delivery design as approved for 2021, however, NSPW proposed an adjustment to its bonus incentive to eligible residential customers in 2022. The Residential CCP provides bonus incentives for eligible customers participating in the Focus on Energy (Focus) Home Performance with ENERGY

STAR® Program. NSPW's voluntary program proposal for 2022 requested to increase the Residential CCP bonus incentive from 60 percent of the Focus incentive to 75 percent of the Focus incentive while continuing to maintain a combined incentive cap of 90 percent of the total project cost.

NSPW proposed to continue to operate the Commercial CCP using the same program design and delivery approved for 2021 and minimal adjustments to the program budget. The Commercial CCP would continue to offer bonus incentives equal to 50 percent of the Focus incentive, with total combined incentives capped at \$4,000, to all eligible customers who participate in the Focus Business and Industry solution serving small-and medium-sized non-residential customers.

The MMP, which began as a pilot in 2018 and whose pilot designation was removed following a Commission decision in 2020, would continue to employ staff to provide outreach to commercial customers to enhance awareness of energy efficiency and increase participation in Focus and the Commercial CCP for target markets in the NSPW service territory. Customers engaging through the MMP are eligible for an additional 25 percent bonus incentive on top of the Commercial CCP incentive, allowing for a total program incentive of up to 75 percent of the Focus incentive with a total incentive cap of \$4,000 per customer premise.

NSPW proposed a pilot effort in collaboration with Focus that would explore opportunities to enhance its engagement with a tribal community in its service territory. This effort seeks to build relationships, understand challenges related to energy efficiency, and identify ways to overcome barriers to participation in energy efficiency programs.

Findings of Fact

1. The proposed programs, as conditioned by this Final Decision, are reasonable and in the public interest.

Conclusions of Law

1. The Commission has authority to approve the proposed voluntary energy efficiency programs, as modified and conditioned by the Final Decision, under Wis. Stat. §§ 196.02, 196.374(2)(b)2., 196.395, and Wis. Admin. Code § PSC 137.08.

Opinion

Wisconsin Admin. Code § PSC 137.08(4)(b) sets forth a list of factors the Commission must consider in reviewing a request to implement voluntary energy efficiency programs. The Commission has considered these factors and determines that the proposed programs are in the public interest. The proposed programs include appropriate measures, maintain appropriate balance of services available to different types of customers, and are designed to effectively coordinate with Focus programs. Further, the proposed budgets should be adequate based on past program spending and demand to meet the goals of the program and achieve program cost-effectiveness.

Based on these findings, the Commission determines that it is reasonable to approve NSPW's requests to: 1) continue its Residential CCP in 2022 at a budget of \$765,467; 2) continue its Commercial CCP including the MMP component in 2022 at a budget of \$1.6 million; 3) increase the Residential CCP bonus incentive from 60 percent to 75 percent of the Focus incentive amount; and 4) initiate the Tribal Pilot effort. This approval is subject to

conditions requiring NSPW to submit for Commission staff approval, by December 1, 2021, an evaluation plan for its 2022 programs.

The Commission determines that it is not appropriate to require NSPW to develop a formal coordination plan with Focus.

Commissioner Huebner dissents and would have required a formal coordination plan.

The Commission determines that it is not appropriate for NSPW to submit for Commission staff approval, an updated Residential CCP cost-effectiveness performance goal to reflect declining benefits due to lower avoided energy costs. NSPW shall maintain a 2022 program cost-effectiveness goal of a Utility Administrator Test score of at least 3.0 for its residential programs.

Commissioner Huebner dissents and would have required NSPW to submit updated Residential CCP performance goals which decrease performance expectations to reflect the declining benefits due to lower avoided costs.

Order

1. NSPW's application for approval to implement voluntary energy efficiency programs for 2022 as described in its application is approved, as conditioned by this Final Decision.

2. NSPW shall submit for Commission staff approval by December 1, 2021, an evaluation plan for its 2022 programs.

3. This Final Decision takes effect one day after the date of service.

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4. Jurisdiction is retained.

Dated at Madison, Wisconsin, the 13th day of October, 2021.

By the Commission:

A handwritten signature in black ink that reads "Steffany Powell Coker". The signature is written in a cursive, flowing style.

Steffany Powell Coker
Secretary to the Commission

SPC:KN:TK:JP:MH:kle:jac DL:01831201

See attached Notice of Rights

PUBLIC SERVICE COMMISSION OF WISCONSIN
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**NOTICE OF RIGHTS FOR REHEARING OR JUDICIAL REVIEW, THE
TIMES ALLOWED FOR EACH, AND THE IDENTIFICATION OF THE
PARTY TO BE NAMED AS RESPONDENT**

The following notice is served on you as part of the Commission's written decision. This general notice is for the purpose of ensuring compliance with Wis. Stat. § 227.48(2), and does not constitute a conclusion or admission that any particular party or person is necessarily aggrieved or that any particular decision or order is final or judicially reviewable.

PETITION FOR REHEARING

If this decision is an order following a contested case proceeding as defined in Wis. Stat. § 227.01(3), a person aggrieved by the decision has a right to petition the Commission for rehearing within 20 days of the date of service of this decision, as provided in Wis. Stat. § 227.49. The date of service is shown on the first page. If there is no date on the first page, the date of service is shown immediately above the signature line. The petition for rehearing must be filed with the Public Service Commission of Wisconsin and served on the parties. An appeal of this decision may also be taken directly to circuit court through the filing of a petition for judicial review. It is not necessary to first petition for rehearing.

PETITION FOR JUDICIAL REVIEW

A person aggrieved by this decision has a right to petition for judicial review as provided in Wis. Stat. § 227.53. In a contested case, the petition must be filed in circuit court and served upon the Public Service Commission of Wisconsin within 30 days of the date of service of this decision if there has been no petition for rehearing. If a timely petition for rehearing has been filed, the petition for judicial review must be filed within 30 days of the date of service of the order finally disposing of the petition for rehearing, or within 30 days after the final disposition of the petition for rehearing by operation of law pursuant to Wis. Stat. § 227.49(5), whichever is sooner. If an *untimely* petition for rehearing is filed, the 30-day period to petition for judicial review commences the date the Commission serves its original decision.¹ The Public Service Commission of Wisconsin must be named as respondent in the petition for judicial review.

If this decision is an order denying rehearing, a person aggrieved who wishes to appeal must seek judicial review rather than rehearing. A second petition for rehearing is not permitted.

Revised: March 27, 2013

¹ See *Currier v. Wisconsin Dep't of Revenue*, 2006 WI App 12, 288 Wis. 2d 693, 709 N.W.2d 520.